CAF UK Equitrack Fund
Common Investment Fund for Charities R-Class GBP

FUND AIM
The investment objective of the Fund is to track the capital performance of the FTSE All-Share Index to within +/-0.50% p.a. before expenses for two years out of three.

FUND CHARACTERISTICS
The Fund employs an index tracking strategy designed to produce a return closely matched with that of the benchmark index by aiming to invest in each of the securities comprising the index, in approximate proportion to its weighting in the index. Although we aim to hold every stock in the index, we will not do so at any cost; we follow a pragmatic approach which could lead to us holding a sampled portfolio. The Fund also takes a pragmatic approach to implementation of index changes and investment of cashflows, and has lower management fees than active funds.

FUND FACTS
- **Fund size**: £353.0m
- **Base currency**: GBP
- **Benchmark**: FTSE All-Share Index (CR)
- **Launch date**: 7 Feb 2005
- **Domicile**: UK
- **Historical yield**: 3.40%

COSTS
- **Initial charge**: 0.00%
- **Ongoing charge**: 0.32%
- **Price basis**: Full swing
- **Bid / Offer spread**: 0.16%

For detail on price basis methodologies please refer to the ‘Guide to Investing With Us’ found on our website.

PERFORMANCE (%)

<table>
<thead>
<tr>
<th></th>
<th>1 month</th>
<th>3 months</th>
<th>1 year</th>
<th>3 years</th>
<th>5 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund</td>
<td>0.71</td>
<td>-0.80</td>
<td>5.86</td>
<td>11.57</td>
<td>7.56</td>
</tr>
<tr>
<td>Benchmark</td>
<td>0.70</td>
<td>-0.82</td>
<td>5.87</td>
<td>11.45</td>
<td>7.49</td>
</tr>
</tbody>
</table>

12 MONTH PERFORMANCE TO MOST RECENT QUARTER (%)

<table>
<thead>
<tr>
<th>12 months to 30 September</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund</td>
<td>0.57</td>
<td>-0.56</td>
<td>1.58</td>
<td>-2.87</td>
<td>-2.92</td>
</tr>
<tr>
<td>Benchmark</td>
<td>0.53</td>
<td>-0.57</td>
<td>1.57</td>
<td>-2.87</td>
<td>-2.90</td>
</tr>
</tbody>
</table>

Performance for the R Acc unit class in GBP, launched on 07 February 2005. Source: LGIM.
Comparisons based on capital movements excluding management fees at close of business.

Past performance is not a guide to future returns. The value of your investment and any income taken from it is not guaranteed and may go up and down.

FUND SNAPSHOT
- Aims to track the performance of the FTSE All-Share Index
- Invests in the shares of a wide range of UK companies
- Employs a straightforward, low-cost and pragmatic index replication approach
PORTFOLIO BREAKDOWN

All data source LGIM unless otherwise stated. Totals may not sum due to rounding.

SECTOR (%)
- Financials: 25.3
- Oil & Gas: 14.5
- Consumer Goods: 13.8
- Consumer Services: 12.0
- Industrials: 11.4
- Health Care: 9.3
- Basic Materials: 7.5
- Telecommunications: 2.7
- Utilities: 2.5
- Technology: 0.9

COUNTRY (%)
- United Kingdom: 100.0

TOP 10 HOLDINGS (%)
- Royal Dutch Shell: 9.2
- HSBC Holdings: 5.6
- BP: 4.7
- British American Tobacco: 3.4
- AstraZeneca: 3.1
- GlaxoSmithKline: 3.1
- Diageo: 2.7
- Unilever: 1.9
- Prudential: 1.9
- Rio Tinto: 1.8

FUND MANAGER COMMENTARY

UK Equities underperformed global indices during the third quarter. Brexit-related headlines intensified, along with the probability attached to a ‘no deal’ scenario. Shortly after the publication of Chequers plan in July, resignations from two senior members of the cabinet emphasised the divisions within the government highlighting political uncertainty surrounding the UK’s strategy on Brexit and the implications for future trade with the EU. Utilities and telecoms lagged the broader market. Amongst the former, shares in domestic electricity supplier SSE slumped to an eight-year low following a profit warning in response to the prolonged spell of hot weather and gas trading losses. In the telecoms sector, Vodafone underperformed on the downside risks from competitive pressures in Europe and the impending departure of the mobile company’s CEO. At the end of August, the company announced the merger of its Australian unit with TPG Telecom. With a major acquisition of assets from Liberty Global expected to raise debt levels, and the upcoming auctions for the fifth-generation mobile network likely to be expensive, investors began to discount the prospect of a dividend cut. In contrast, healthcare stocks outperformed the market led by leading pharmaceutical firm AstraZeneca which rose after the company reported its interim results. Revenue generated from its newest cancer drugs has surpassed expectations with Tagrisso emerging as the first-choice treatment for lung cancer patients in Europe. Generic drugs group Hikma Pharmaceuticals also reported better-than-expected results, and upgraded full-year earnings guidance.

INDEX FUND MANAGEMENT TEAM

The Index Fund Management team comprises 25 fund managers, supported by two analysts. Management oversight is provided by the Global Head of Index Funds. The team has average industry experience of 15 years, of which seven years has been at LGIM, and is focused on achieving the equally important objectives of close tracking and maximising returns.
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KEY RISKS

• The fund could lose money if any institution providing services such as acting as counterparty to derivatives or other instruments, becomes unwilling or unable to meet its obligations to the fund.

• Derivatives are highly sensitive to changes in the value of the asset on which they are based and can increase the size of losses and gains.

• The fund may have underlying investments that are valued in currencies that are different from sterling (British pounds). Any such investments will be impacted by exchange rate fluctuations and this may affect the value of your investment and any income from it. Currency hedging techniques may be applied to reduce the impact of exchange rate fluctuations but may not entirely eliminate it.

For more information, please refer to the key investor information document on our website.

DEALING INFORMATION

Valuation frequency Daily, 12pm (UK time)
Dealing frequency Daily
Settlement period T+4

CODES

ISIN
R Acc GB00B02TV349
R Inc GB00B02TV679

SEDOL
R Acc B02TV34
R Inc B02TV67

Bloomberg
R Acc LAGCAFA
R Inc LAGCAFI

TO FIND OUT MORE

Visit www.cafonline.org/investments
Call 03000 123 444
Email TBC

Lines are open Monday to Friday 9.00am to 5.00pm. We may record and monitor calls. Call charges will vary.

Important information

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